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UNCLAS SECTION 01 OF 03 KUALA LUMPUR 002266

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SUBJECT: 2006-2007 INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT (INCSR) PART I, DRUGS AND CHEMICAL CONTROL

REF: STATE 155088

I.1. Per reftel instructions, Post submits its draft 2006-2007 International Narcotics Control Strategy Report, Part I, Drugs and Chemical Control.

I.I. Summary

I.2. Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs, though domestic abuse is on the rise and Malaysian labs are increasing methamphetamine production. The government has established a "drug-free by 2015" policy. Malaysia's competent counter narcotics officials and police officers have the full support of senior government officials and cooperation with the U.S. on combating drug trafficking is good. The U.S. maintains active and successful programs for training Malaysian counter narcotics officials and police. Malaysia is a party to the 1988 UN Drug Convention, has a bilateral extradition treaty in force with the U.S., and has concluded a bilateral mutual legal assistance treaty (MLAT) in 2006.

II. Status of Country

I.3. While Malaysian officials have expressed concern about rising rates of drug addiction in their own country, Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs. Narcotics imported to Malaysia include heroin and marijuana from the nearby Golden Triangle area, and other drugs, such as amphetamine type stimulants (ATS) including crystal methamphetamine and Ecstasy and Ketamine from India. These imports either transit Malaysia bound for other markets such as Thailand, Singapore, China and Australia, or are consumed domestically. The drugs of choice for Malaysian users are heroin, 36.4%, morphine, 25.1%, marijuana, 22.8% and methamphetamines, 10.5%, according to government statistics.

I.4. The Malaysian government identified 19,369 drug addicts during the first ten months of 2006 through reporting from police, community organizations, and treatment centers, over 20% less than last year's total for the same period. Of these, 10,741 were repeat drug offenders. Seventy-nine percent were between 19 and 39 years of age and 68 percent had not completed secondary education.

III. Country Actions Against Drugs in 2006

I.5. Policy Initiatives. Malaysia continues a long-term effort launched in 2003 to reduce domestic drug use to negligible levels by 2015. Senior officials including the Prime Minister speak out strongly and frequently against drug abuse. The Prime Minister chairs the Cabinet Committee on Eradication of

Drugs, composed of 20 government ministers. The National Anti-Drugs Agency (NADA) is the policy arm of Malaysia's counter narcotics strategy, coordinating demand reduction efforts with various cabinet ministries. Malaysian law stipulates a mandatory death penalty for major drug traffickers, with harsh mandatory sentences also applied for possession and use of smaller quantities. In practice however, many minor offenders are placed into treatment programs instead of prison.

¶6. Accomplishments. Malaysian authorities, with support from U.S. and Australian law enforcement, seized a major methamphetamine manufacturing facility. Malaysia and the United States signed a mutual legal assistance treaty (MLAT) in July 2006 that should enhance and facilitate law enforcement cooperation in the future.

¶7. Law Enforcement Efforts. Police arrested 37,631 people for drug-related offenses between January and October 2006, a 4.55% decrease from the same period in 2005. Enforcement officials seized substantially larger amounts of ATS and marijuana and a modest decrease in the amount of heroin they confiscated during the same period last year. There was also a decrease in the amount (-12.2%) and value 84.1% of confiscated property derived from drug related cases.

¶8. Malaysian police and prosecutors are effective in arresting small-time drug offenders, and are examining ways to prosecute larger crime rings. Suspected traffickers continue to be detained under Malaysia's "special preventive measures," which allow for detention without trial of suspects who pose a threat to national security. Local officials report that customs officials are being provided with test kits that will allow them to identify and interdict

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some illicit precursor chemicals during importation.

¶9. Corruption. While Malaysian and foreign media organizations continued to highlight cases of government corruption in general, no senior officials were arrested for drug-related corruption in 2006.

¶10. Agreements and Treaties. Malaysia is a party to the 1988 UN Drug Convention and now has bilateral MLATs with the United States and Australia, as well as a multilateral MLAT with seven Southeast Asian nations. The U.S.-Malaysia Extradition Treaty has been in effect since 1997, though no extradition has yet occurred under that treaty.

¶11. Cultivation/Production. While there is no notable cultivation of drugs in Malaysia, ATS production is believed to be on the rise.

¶12. Drug Flow/Transit. Drugs transiting Malaysia do not appear to make a significant impact on the U.S. market. However, Malaysia's proximity to the heroin production areas and methamphetamine labs of the Golden Triangle leads to smuggling across Malaysian borders, destined for Australia and other markets. Ecstasy from Amsterdam is flown into Kuala Lumpur International Airport (KLIA) for domestic use and distribution to Thailand, Singapore, and Australia. Ketamine comes from India and is exported to several countries in the region. There is evidence of increased transit of cocaine though police are only beginning to develop information on this trend. Production of ATS in Malaysia is on the rise, as evidenced by the elimination of another large methamphetamine lab in 2006 and the seizure of a substantial quantity of precursor chemicals awaiting use at that lab.

¶13. Domestic Programs (Demand Reduction). The NADA targets its demand reduction efforts toward youth, parents, students, teachers, and workers, with extensive efforts to engage schools, student leaders, parent-teacher associations, community leaders, religious institutions, and workplaces. Government statistics indicate that 4,645 persons were

undergoing treatment at Malaysia's 29 public rehabilitation facilities as of October 2006, the second consecutive year there has been a substantial decrease.

IV. U.S. Policy Initiatives and Programs

¶14. Bilateral Cooperation. U.S. counter narcotics training continued in 2006 via the International Law Enforcement Academy (ILEA) in Bangkok and the "Baker-Mint" program sponsored by the U.S. Department of Defense. Baker-Mint aims to raise the operational skill level of local counter narcotics law enforcement officers. In September 2006, U.S. officials from the Department of Justice, DEA, and FBI presented a training workshop for Malaysian prosecutors on conspiracy prosecutions in an effort to enhance Malaysia's utilization of existing abatement laws.

¶15. Road Ahead. United States goals and objectives for the year 2007 are to improve coordination and communication with U.S. law enforcement authorities in counter narcotics efforts. United States law enforcement agencies will utilize better coordination with Malaysian authorities to interdict drugs transiting Malaysia, and to follow regional and global leads. U.S.-funded counter narcotics training for Malaysian law enforcement officers will continue and U.S. agencies will continue working with Malaysian authorities to improve Malaysia's investigative and prosecutorial processes.

¶IV. Statistical Tables (data is taken from January to October:

¶16.

Total Arrest for Drug Related Offenses:

2005: 39,425
2006: 37,631 -4.55%

Drug Abusers (total and new) Arrested:

2005: Total = 25,243 New = 11,579
2006: Total = 19,369 -23.27% New = 8,628 -25.49%

Drug Abusers by Age (change from 2005):

39: 4,916 25.94% (-21.49%)

Drug Abusers by Highest Education Level Attained

(change from 2005):

No school: 453 2.86% (-17.18%)
Primary School: 3,014 19.03% (-22.28%)
Some High School: 7,331 46.28% (-25.73%)
HS graduate: 4,626 29.20% (-23.88%)
A Level graduate: 133 0.84% (-43.64%)
Diploma holder: 200 1.26% (- 5.21%)
Degree holder: 37 0.23% (- 5.13%)

Drug Abusers by Drug Type (change from 2005):

Heroin: 7,042 36.36% (-35.60%)
Morphine/opium: 4,862 25.10% (-23.20%)
Marijuana: 4,414 22.79% (14.00%)
Methamphetamine: 2,040 10.53% (-21.87%)
Amphetamine: 187 0.97% (- 3.61%)
Ecstasy (MDMA): 130 0.67% (-60.00%)
Psychotropic pills: 528 2.73% (-16.98%)
Codeine: 157 0.81% (-52.57%)

Confiscated Drugs (change from 2005):

Heroin No. 3 (kg): 193.34 (- 9.31%)
Heroin No. 4 (kg): 0 (1.74 kg in 2005)
Opium (kg): 0.29 (- 92.66%)
Marijuana (kg): 2,238.76 (124.22%)
Methamphet. (kg): 138.47 (290.28%)

Yaba (pills): 226,964 (147.44%)
Ecstasy (pills): 1,257,804 (1,048.30%)
Psychotropic pills: 52,454 (-84.85%)
Eramine 5 (pills): 63,129 (-85.84%)
Codeine (liters): 10,443 (-19.61%)
Ketamine (kg): 188.34 (-98.80%)
Cocaine (kg): 2.13 (-58.24%)
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